

**Caddo Ward II Industrial Development Corporation
Vivian, Louisiana**

**Financial Statements
and
Report on Agreed – Upon Procedures**

As of and For the Year Ended December 31, 2013

Caddo Ward II Industrial Development Corporation
Vivian, Louisiana

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Independent Accountants' Review Report

To the Board of Directors
Caddo Ward II Industrial Development Corporation
Vivian, Louisiana

We have reviewed the accompanying statement of financial position of Caddo Ward II Industrial Development Corporation (a non-profit organization), as of December 31, 2013, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Caddo Ward II's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Cook & Morehart
Certified Public Accountants
November 14, 2014

Caddo Ward II Industrial Development Corporation
Vivian, Louisiana
Statement of Financial Position
December 31, 2013

Assets

Current assets:

Cash	\$ 271,285
Certificates of deposit	125,285
Accounts receivable	21,240
Prepaid expenses	<u>3,400</u>
Total current assets	<u>421,210</u>

Noncurrent assets:

Land held for sale and development	1,549,922
Property and equipment, net	<u>245,057</u>
Total noncurrent assets	<u>1,794,979</u>

Total Assets \$ 2,216,189

Liabilities and Net Assets

Current liabilities:

Accounts payable	<u>\$ 730</u>
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Net assets:

Unrestricted:

Operating	420,480
Fixed assets	<u>1,794,979</u>
Total net assets	<u>2,215,459</u>

Total Liabilities and Net Assets \$ 2,216,189

See accompanying notes and independent accountants' review report

Caddo Ward II Industrial Development Corporation
Vivian, Louisiana
Statement of Activities
For the Year Ended December 31, 2013

	Unrestricted
Revenues, Gains, and Other Support:	
Casino boarding fees	\$ 120,910
Rental income	36,200
Other income	40,000
Interest income	898
Total revenues and other support	198,008
Expenses:	
Program services:	
Advertising and promotion	6,100
Professional fees	8,829
Dues and publications	14,595
Insurance	4,927
Repairs and maintenance	18,775
Utilities	5,081
Depreciation	9,415
Legal publications	376
Total program services	68,098
Supporting services:	
Miscellaneous	211
Professional fees	3,740
Website	600
Public relations	11,308
Office supplies and expense	876
Total supporting services	16,735
Total expenses	84,833
Change in net assets	113,175
Net assets, beginning of year	2,102,284
Net assets, end of year	\$ 2,215,459

See accompanying notes and independent accountants' review report

Caddo Ward II Industrial Development Corporation
Vivian, Louisiana
Statement of Cash Flows
For the Year Ended December 31, 2013

Operating Activities	
Change in net assets	\$ 113,175
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	9,415
(Increase) decrease in operating assets	
Accounts receivable	90
Prepaid	291
Increase (decrease) in operating liabilities	
Accounts payable	<u>(4,150)</u>
Net cash provided by operating activities	<u>118,821</u>
Net increase in cash and cash equivalents	118,821
Cash as of beginning of year	<u>277,749</u>
Cash as of end of year	<u><u>\$ 396,570</u></u>

See accompanying notes and independent accountants' review report

Caddo Ward II Industrial Development Corporation
Vivian, Louisiana
Notes to Financial Statements
December 31, 2013

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Caddo Ward II Industrial Development Corporation (the Corporation), is a private nonprofit organization incorporated under the laws of the State of Louisiana. Caddo Ward II Industrial Development Corporation is governed by a Board of Directors. The primary function of the Corporation is to provide or assist in providing the means and facilities by which the economic development of Caddo Parish and its surroundings may be advanced.

The Corporation's support comes primarily from an allocated percentage of fees from riverboats located in Caddo Parish.

B. Basis of Accounting

The financial statements of Caddo Ward II Industrial Development Corporation have been prepared on the accrual basis of accounting.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. Under those standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

D. Income Taxes

Caddo Ward II Industrial Development Corporation is a non-profit corporation and is exempt from state and federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to Caddo Ward II Industrial Development Corporation's tax-exempt purpose is subject to taxation as unrelated business income. Caddo Ward II Industrial Development Corporation had no such income for the year ended December 31, 2013. Caddo Ward II's Forms 990, *Return of Organization Exempt from Income Tax*, for years ended December 31, 2010, 2011, 2012, and 2013 are subject to examination by the IRS, generally for three years after they were filed.

E. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over the estimated useful lives of the assets. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred.

(Continued)

Caddo Ward II Industrial Development Corporation
Vivian, Louisiana
Notes to Financial Statements
December 31, 2013
(Continued)

F. *Revenue Recognition and Economic Dependency*

Revenues consist of payments to the Corporation of its statutorily set share of riverboat fees from two casinos located in Caddo Parish, Louisiana. The Corporation is dependent on these fees as its only guaranteed source of revenue. Fees from the riverboats are recognized on the accrual basis of accounting and are recorded in the month earned by the casinos.

G. *Use of Estimates*

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

H. *Cash and Cash Equivalents*

For purposes of the Statement of Cash Flows, the Corporation considers all unrestricted, highly liquid investments with an initial maturity of six months or less to be cash equivalents.

(2) *Concentrations of Credit Risk*

Financial instruments that potentially subject Caddo Ward II Industrial Development Corporation to concentrations of credit risk consist principally of temporary cash investments and accounts receivable. Caddo Ward I Industrial Development Corporation maintains its cash balances at a local financial institution. The balances are insured by the FDIC up to \$250,000. At December 31, 2013, total cash balances held at the financial institution were \$396,631. The entire amount was insured by the FDIC.

Concentrations of credit risk with respect to accounts receivable is limited due to the amounts being due from a local casinos as required by state law. As of December 31, 2013, Caddo Ward II Industrial Development Corporation had no significant concentration of credit risk in relation to accounts receivable.

(3) *Accounts Receivable*

Accounts receivable at December 31, 2013, consist of fees due from the casinos and rental income for months in 2013 which were not remitted to the Corporation until 2014.

(Continued)

Caddo Ward II Industrial Development Corporation
Vivian, Louisiana
Notes to Financial Statements
December 31, 2013
(Continued)

(4) Land Held for Development

This represents \$1,549,922 of land and improvements purchased in Caddo Parish to develop an industrial park.

(5) Property and Equipment

A summary of property and equipment at December 31, 2013 is as follows:

Buildings & improvements	296,414
Accumulated Depreciation	<u>(51,357)</u>
Net Property and Equipment	<u>\$ 245,057</u>

Depreciation expense for the year ended December 31, 2013 was \$9,415.

(6) Subsequent Events

Subsequent events have been evaluated through November 14, 2014, the date the financial statements were available to be issued.

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Independent Accountants' Report On Applying Agreed-Upon Procedures

James Sims
President
Caddo Ward II Industrial Development Corporation

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Caddo Ward II Industrial Development Corporation, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Caddo Ward II Industrial Development Corporation's compliance with certain laws and regulations during the year ended December 31, 2013, included in the accompanying Louisiana Attestation Questionnaire. Management of Caddo Ward II Industrial Development Corporation is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of federal, state, and local awards expenditures for 2013 by grant and grant year.

There were no federal, state, or local grant awards for 2013.

2. For each federal, state, and local award for 2013:

Randomly select 6 disbursements from each award administered during 2013.

There were no federal, state, or local grant award expenditures for 2013. We selected six disbursements from the general ledger and performed the following:

- a. Trace the disbursements selected to supporting documentation as to proper amount and payee.

We examined supporting documentation for five of the six selected disbursements and found that payment was for the proper amount and made to the correct payee. There was no written supporting documentation for one of the disbursements selected for testing. The disbursement was for work done in the industrial park, of which approval was noted in the board minutes.

- b. Determine whether the disbursements selected were properly coded to the correct fund and general ledger account.

All disbursements selected were properly coded to the correct fund and general ledger account.

- c. Determine whether the disbursements selected received approval from proper authorities.

All disbursements were approved by proper authorities.

- d. For federal awards, determine whether the disbursements selected comply with the applicable specific compliance requirements summarized in the Compliance Supplement (or contained in the grant agreement, if the program is not included in the Compliance Supplement) and for state and local awards, determine whether the disbursements selected comply with the grant agreement relating to 1) activities allowed or allowable, 2) eligibility, or 3) reporting.

There were no federal awards during 2013.

- 3. For the programs selected for testing in item (2) that have been closed out during the period under review, compare the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

Not applicable. There were no grant awards in 2013.

- 4. Open Meetings – Examine evidence that agendas for meetings recorded in the minute book were posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).

Caddo Ward II Industrial Development Corporation's posted its meetings as required by R.S. 42:1 through 42:13 (the open meetings law).

- 5. Budget – For all grants exceeding five thousand dollars, determine that each applicable federal, state, or local grantor agency/agencies was provided a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

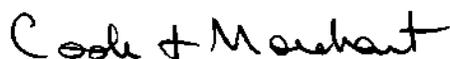
Not applicable. There were no grant awards in 2013.

- 6. Prior Comments and Recommendations – Review any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were no prior year comments, suggestions, or recommendations.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Caddo Ward II Industrial Development Corporation, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Cook & Morehart
Certified Public Accountants
November 14, 2014

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

June 27, 2014 (Date Transmitted)

COOK & MOREHART, CPAS

1215 HAWN AVE

SHREVEPORT, LA 71107

(Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [] No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [] No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements,

without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [] No []

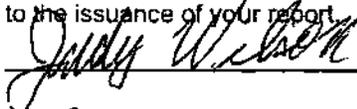
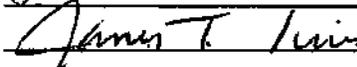
Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

	Secretary	7-17-14	Date
_____	Treasurer	_____	Date
	President	7-17-14	Date

Caddo Ward II Industrial Development Corporation
Vivian, Louisiana
Summary Schedule of Findings
Schedule for Louisiana Legislative Auditor
December 31, 2013

Summary Schedule of Prior Audit Findings

There were no findings for the prior year period ended December 31, 2012.

Summary Schedule of Current Year Audit Findings

There is one finding for the current year review period ended December 31, 2013, as noted below.

2013-1 – Late Report Submission

Finding: The review report was not submitted timely for the year ended December 31, 2013, in accordance with the provisions of the state audit law. The President of Caddo Ward II Industrial Development Corporation passed away suddenly and unexpectedly in 2014, resulting in a delay in obtaining the needed documentation to complete the engagement.

Recommendation: We recommend that Caddo Ward II Industrial Development Corporation implement procedures to ensure timely submission of reports in the future, in accordance with the state audit law.

Management's Response: Caddo Ward II will implement procedures to ensure that our report is submitted timely in accordance with state law in the future.